



## **The Energy and Technology Committee**

**Public Hearing, March 4, 2014**

**Testimony of**

**Consumer Counsel Elin Swanson Katz**

Presented by Consumer Counsel Elin Swanson Katz

***Proposed S.B. 356, An Act Concerning Unauthorized Electric Submetering***

Consumer Counsel Elin Swanson Katz and the Office of Consumer Counsel (collectively "OCC") support this bill, which seeks to allow the Public Utilities Regulatory Authority ("PURA") to be able to fine any party who engages in unauthorized electric submetering for any violation of the submetering laws, regulations or PURA orders. At present, the law only expressly allows PURA to fine for a violation of such laws, regulations, or orders those who have been approved by PURA to submeter. That is, at present, a party engaged in electric submetering would subject itself to PURA fines if it seeks approval for such activity, but would arguably not be subject to fines if it simply ignores PURA and fails to file an application. This creates an obvious, perverse incentive for parties engaged in electric submetering to avoid seeking PURA authorization for such activity. This perverse incentive would in turn frustrate our submetering policy.

In recent years, State policy, as developed through Department of Energy and Environmental Protection and the Legislature, has sought the increased adoption of

electric submetering. In old apartment buildings or commercial buildings that cannot easily be re-wired to support full utility meters, submetering can create efficiencies in electric usage. With submetering, individual tenants or unit owners in such buildings are responsible for their own usage, rather than having their usage be estimated by the landlord and built into rent.

To embrace these potential efficiencies and achieve other goals, Public Act 13-298 required the Public Utilities Regulatory Authority (“PURA”) to develop an application and approval process whereby a party wishing to submeter a building could gain regulatory approval, but only if it agrees to comply with certain consumer protections. PURA presently has an open proceeding to develop this application, and is considering the recommendations of a working group that included OCC, the utilities, landlord interests, and others. However, in order to make the application and approval process meaningful, landlords and others wishing to submeter must have the right incentives to seek PURA approval and subject themselves to regulatory oversight. If a submetering party does not seek approval, then we will not be sure that the tenants or unit owners are receiving any of the consumer protections, such as clear billing and meter testing requirements, that PURA will require. If parties who do not apply for PURA approval are not subject to fines by PURA, OCC fears that the application and approval process will be avoided by submetering parties and frustrate the intentions of Public Act 13-298. This bill solves that hole in the present statutory scheme and OCC urges its adoption.